

Pete Stark's Legislative Report, October 2009

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PETE'S OCTOBER TOWN MEETINGS

Saturday October 17, 2009

UNION CITY

9:00 am-10:30 am

Ruggieri Senior Center

Dining Room

33997 Alvarado Niles Road

Alameda

11:00 am -12:30 pm

Earhart School

Multipurpose Room

400 Packet Landing Road

FIXING OUR FINANCIAL SYSTEM

In the coming months, Congress will begin reforming our nation's financial services industry to prevent another financial collapse.

The current recession is a direct result of years of lax oversight of Wall Street and toothless enforcement by regulators. Unscrupulous lenders were allowed to make dubious subprime loans, and investment and financial firms masked risks that the firms were undertaking. Regulators were unable, and in many cases unwilling, to rein in the financial industry. Eventually the bubble burst, hurting millions of working families.

Our reform should accomplish a number of goals. First, consumers must be protected from financial abuse. I support the President's proposal creating a Consumer Financial Protection Agency that would be solely devoted to protecting consumers and would have authority over a variety of financial activities, including credit cards and mortgages.

Second, reforms must give regulators the powers and tools to impose tough rules on firms that pose the biggest risk to our financial system. For example, AIG, which has received billions in taxpayer funds, was considered an insurance company and therefore had virtually no federal oversight. The federal government should have authority to ensure that these types of companies are financially sound.

Finally, Wall Street should be on the hook if there is another crisis. The best way to ensure that this happens is by charging a fee of 0.10%-0.25% on financial transactions. This would be a small burden on the average investor, but would discourage speculation by large firms. The revenues raised by the fee could be used to recoup the \$700 billion from last year's Troubled Asset Relief Program ("TARP") and for new programs that help to lift us out of the recession.

Last year's financial collapse rippled through many sectors of our economy and continues to impact millions of Americans. We must learn from this crisis and implement reforms that provide real oversight of the financial industry.

PREVENTING MEDICARE PREMIUM HIKES FOR 2010

The House of Representatives recently passed H.R. 3631, the Medicare Premium Fairness Act, a bill I wrote. This legislation protects senior citizens and people with disabilities from an unfair increase in their 2010 Medicare Part B premiums.

Next year's Social Security cost-of-living (COLA) increase is likely to be zero and thus Social Security checks will not

increase. Existing law includes a "hold harmless" policy that protects most seniors from any decrease in their Social Security checks if the Part B premium increase is greater than the Social Security COLA. About 73 percent of America's seniors are protected from any increase in their 2010 Medicare premium. The other 27 percent of Medicare beneficiaries (about 11 million people) are not held harmless and would see premiums increase by almost 25 percent unless Congress acts.

The Medicare Premium Fairness Act will extend the current hold harmless protections to all Medicare enrollees, meaning that 2010 Part B premiums will remain at the current level and seniors will not see a decrease in their Social Security checks. The bill is paid for and will not increase the deficit.

The bill is endorsed by AARP, the National Committee to Preserve Social Security, the National Active and Retired Federal Employees (NARFE) and many other organizations representing senior citizens. We are now urging the Senate to take up our legislation so it can be enacted into law as quickly as possible.

HOW WILL HEALTH CARE REFORM AFFECT YOU?

I am working with colleagues in Congress and President Obama to craft a health care reform bill to provide affordable, quality health care for all Americans. Legislation is moving forward in the House and Senate. We intend to send a bill to the President to sign into law this year.

Below are some frequently asked questions about the House bill.

WILL YOU BE REQUIRED TO BUY HEALTH INSURANCE?

Yes. Everyone will be required to obtain health coverage. For people who get health coverage through their employers, nothing will change. If you have to buy coverage on your own, you will be able to purchase health insurance that doesn't discriminate against an individual's status. You'll be able to choose from private and public health insurance options. Each plan will cap out-of-pocket expenses so no family would face bankruptcy due to medical expenses. The legislation also includes financial help to make health insurance more affordable. An exemption is included for those who have a religious objection to its purchase (H.R. 3200, page 167).

WHAT HAPPENS IF YOU GET HEALTH INSURANCE THROUGH YOUR EMPLOYER?

Nothing should change for you. But, if your employer chooses to quit providing health insurance benefits, you lose your job, or you decide to leave it, you will be able to obtain affordable coverage through a Health Insurance Exchange with financial help if you need it.

CAN YOU BE DENIED COVERAGE FOR A PRE-EXISTING CONDITION?

No. Health reform will eliminate the ability of health insurers to discriminate against you based on pre-existing conditions.

CAN YOUR INSURER DROP YOUR COVERAGE IF YOU GET SICK?

No. Health care reform will ban the practice by insurers of retroactively denying coverage once an individual gets sick – called "rescissions."

At a June hearing before the House Energy and Commerce Oversight Subcommittee, Chairman Bart Stupak asked executives from WellPoint, UnitedHealth, and Assurant if they would voluntarily stop this practice, that has saved them \$300 million in unpaid claims. All three said that their companies would not.

WILL YOUR MEDICARE BENEFITS BE CUT?

No. Seniors and people with disabilities will continue to receive high-quality, affordable care through the Medicare program. Health care reform will include improvements to the program, such as eliminating the "donut hole" coverage gap for prescription drugs, improving help for low-income Medicare beneficiaries, and eliminating cost-sharing for preventive benefits.

Health care reform does include savings from the Medicare program. These changes impact the rate of growth in provider payments – not benefits provided to beneficiaries. Reform also ends overpayments to private health insurance companies and makes changes to Medicare's payment systems to reward quality, efficient care.

WHAT IF YOU ARE A SMALL BUSINESS OWNER?

Larger employers will be required to offer affordable insurance to their employees. Small businesses with a payroll of less than \$500,000 will be exempt from this mandate. In addition, small businesses that choose to offer health coverage are eligible to receive a credit against their income tax liability for up to 50 percent of their cost of providing such coverage.

STIMULUS INVESTMENTS IN SOLAR ENERGY

Money from the American Recovery and Reinvestment Act (H.R. 1) is being used to promote green energy in the 13th District. It is creating jobs, reducing our dependence on oil, and enhancing our mass transit system. In the past month

the Administration made two announcements of stimulus funding for energy investments in our community.

First, the Department of Energy guaranteed a \$535 million loan to Fremont-based Solyndra, which makes solar panels. Solyndra has a backlog of \$2 billion worth of solar panel orders worldwide. The loan will be used to build a second plant in Fremont, creating at least 1,000 new jobs.

Last month, AC Transit received a \$6.4 million grant from the Department of Transportation to install solar panels at their Central Maintenance Facility. These panels will create energy that will power more than five zero-emissions buses each day.

For more information on how the stimulus is helping the East Bay, go to www.stark.house.gov and click on "Appropriations" to view an interactive map of federal investments in our community.

EQUALITY IN ADOPTION AND FOSTER CARE

On any given day, there are about 500,000 abused and neglected children in our nation's foster care system. Over 129,000 of them are waiting to be adopted. These children have no place to call home, and yet due to discrimination, adults eager to provide a safe and stable family are not allowed to.

Many states and adoption agencies discriminate against qualified parents based on marital status or sexual orientation, denying thousands of foster children the chance to be placed in a safe, stable, loving home. Some grandparents have not even been allowed to adopt their grandchildren out of foster care simply because of the grandparents' sexual orientation.

Tax dollars should never be used to discriminate against one group of people, nor should they be used to deny abused and neglected children a home. For that reason, I have introduced the Every Child Deserves a Family Act. This legislation would prohibit adoption and foster care programs that receive any federal money from discriminating based on sexual orientation or marital status when they place a child with an adoptive or foster family.

My legislation would open up thousands of homes for foster children. Currently, 4 percent of all adopted children and 3 percent of all foster children live with same-sex couples, but studies have found that two million same-sex couples are interested in adopting or fostering a child.

Prior to a 1994 change in federal law, children were routinely denied placement with families of different races or ethnicities. Just as ending that discriminatory policy allowed thousands of children to be adopted, the Every Child Deserves a Family Act will ensure that many more vulnerable children grow up with the love of a family.

RESOURCES FOR UNEMPLOYED WORKERS

Unemployment in California has hit 12.2 percent, the highest since the Labor Department started keeping statewide statistics in 1976. Many workers are eligible for unemployment insurance and other supports. Don't be embarrassed: ask for help.

CA Employment Development Department

866-333-4606

<http://www.edd.ca.gov>

The Employment Development Department can help you apply for unemployment insurance, and provides listings for job opportunities and job retraining throughout the state.

Alameda County Workforce Investment Board

(510) 259-3842

<http://www.acwib.org>

The Alameda County Workforce Investment Board provides employment and training, education and economic development service for job seekers and businesses. The Board has One-Stop Career Centers located throughout the East Bay:

ALAMEDA

One Stop Career Center

555 Ralph Appezato Memorial Pkwy, Portable P

Alameda, CA 94501

(510) 748-2208 or

(510) 814-8302

FREMONT

Tri Cities One Stop Career Center

39155 Liberty St., Suite B200

Fremont, CA 94538

(510) 794-3669

HAYWARD

Eden Area Multiservice Center

24100 Amador Street, 3rd Floor

Hayward, CA 94544

(510) 670-5700

NEWARK

Tri Cities One Stop Career Center

39399 Cherry St., Room 1211

Newark, CA 94560

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